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United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510

#85-4219

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December 13, 1985

Dear Colleague:

As the first session of the 99th Congress comes to an end, we want to bring you up to date on the comprehensive review of counterintelligence and security programs that the Select Committee is conducting. We know you share our concern about the upsurge in espionage cases during 1984-85 and the questions they raise about the adequacy of measures to protect national secrets. The Committee worked intensively this year to identify and begin to remedy deficiencies in U.S. defenses against hostile intelligence operations.

At the beginning of this Congress, we decided that the Committee should make an independent assessment of counterintelligence and security programs. We advised the Administration of our plans in the spring, and we announced them publicly on June 11. Our guiding principle from the outset has been to cooperate as closely as possible with the Executive branch. We consult regularly with the National Security Council staff, and the President has designated senior officials to represent the Administration at a series of closed hearings. Our objective is to reach agreement with the Administration on a common agenda for immediate actions and long-range decisions.

The Committee held two types of closed hearings on counterintelligence and security matters this year. The first addressed specific needs or cases, while the second reviewed the full range of policies and programs.

We started the hearings on specific needs with a session in March on counterintelligence requirements in the Intelligence Authorization Act for FY 1986. Another hearing examined the need for greater controls over the numbers and activities of hostile intelligence officers in this country. The Committee approved a proposal by Senators Leahy and Cohen to establish a policy of equivalence in the numbers of U.S. and Soviet embassy and consular personnel, as well as Senator Roth's proposal to control travel by Soviet bloc nationals working for the United Nations Secretariat. Both the Leahy-Cohen amendment and the Roth amendment were later enacted in the State Department Authorization Act. The Committee also issued a public report, prepared with the Intelligence Community's assistance, on the "Soviet Presence in the U.N. Secretariat."

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In June, the Committee looked at the damage done by the Walker family and Whitworth espionage network and the security and counterintelligence shortcomings revealed by their years of work as Soviet agents. Another hearing covered the security situation at the U.S. Embassy in Moscow, including both technical security and vulnerabilities resulting from employment of a large number of Soviet nationals. Shortly thereafter, the Inman Panel submitted to the Committee a classified annex to its report on security problems at U.S. facilities overseas. At a subsequent session, the Committee considered resource requirements for improved security counter-measures abroad; we thereupon proposed what became a \$35 million supplemental appropriation for this purpose.

In the fall, the Committee received several briefings on Edward Lee Howard, the former CIA officer who apparently fled the country before he could be arrested on espionage charges. In addition, the Committee conducted preliminary hearings on the Yurchenko defection and the Pollard, Chin, and Pelton espionage cases. We have requested and are awaiting detailed assessments of the counterintelligence, security, and management implications of the Howard and Yurchenko cases.

While these hearings were necessary and useful, they were not sufficient to make a comprehensive assessment of U.S. counterintelligence operations and security practices. Therefore, the Committee held another series of closed hearings to consider these matters more systematically. We began in July with a survey by the FBI and CIA of the full scope of the hostile intelligence threat, both human and technical. In the fall, the Director of Central Intelligence and other senior officials described the Administration's actions to improve counterintelligence capabilities and security measures. At a later hearing on counterintelligence capabilities and requirements into the 1990s, the FBI Director and senior counterintelligence officials from the CIA and DoD discussed improvements underway and planned to upgrade worldwide counterintelligence operations and analysis.

The next hearing focused on personnel and information security. General Richard Stilwell presented the report of the DoD Security Review Commission, which calls for significant reforms in the security policies of Defense agencies, contractors, and the military services. At the same hearing the Director of the Information Security Oversight Office solicited the Committee's input on thirteen recommendations being submitted to the NSC to discourage overclassification,

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control overdistribution of classified information, improve classification management, enforce the need-to-know principle, and reduce unauthorized disclosures.

The most recent of these hearings covered communications and computer security and technical surveillance countermeasures. Witnesses were the Deputy Director of Central Intelligence; the Assistant Secretary of Defense for Command, Control, Communications and Intelligence; the Director of the State Department's Bureau of Diplomatic Security; and officials from NSA and CIA. Another hearing in this series is scheduled for early next year.

The Committee is now pulling together the results of these hearings with the aim of working with the NSC on an agreed agenda. We have just made several recommendations to the National Security Council regarding information security and we have encouraged prompt action on initiatives proposed by the Information Security Oversight Office. A copy of our recommendations is enclosed. (Other appropriate committees have also been asked for their input to the Administration.)

In October we issued a joint statement describing the Intelligence Committee's work and recommending specific measures to control the hostile intelligence presence in this country. We also outlined two fundamental objectives we hope to accomplish. First is development by the Executive branch, with appropriate Congressional input, of a national counterintelligence strategy. Second is formulation of a comprehensive National Strategic Security Program to provide coherent and balanced policy guidance for all aspects of the protection of information and activities that have the greatest strategic importance. A copy of this statement, which was presented at a public hearing of the Governmental Affairs Committee's Permanent Subcommittee on Investigations, is also enclosed.

We believe the lesson of this "year of the spy" is that the Administration and Congress must work closely together to reach a common understanding of the nature of the threat and to make substantial improvements in U.S. counterintelligence and security programs. The Intelligence Authorization Act for FY 1986 requires the President to submit to the Intelligence Committees within 120 days a classified report on the policies and programs needed to protect U.S. Government information and activities from the hostile intelligence threat. After we

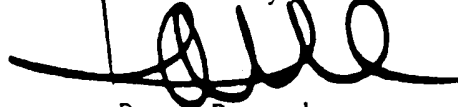
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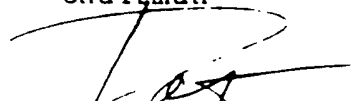
receive this report next spring, the Committee will report to the Senate. Early next year we also expect to propose specific legislative and budgetary initiatives to be adopted before the end of the 99th Congress.

As we complete these efforts, we solicit your views and proposals so that the Committee can have the benefit of the best thinking in the Senate on these problems. Finally, as we conclude a very difficult year, we want to express our deep appreciation to all the Members of the Committee and to other Members of the Senate who have given us their support and encouragement. We will continue to pursue these issues until major improvements have been adopted and implemented.

Sincerely,

A large, stylized handwritten signature in black ink, likely belonging to Dave Durenberger, written over the word "Sincerely,".

Dave Durenberger
Chairman

A smaller handwritten signature in black ink, likely belonging to Patrick J. Leahy, written below the signature of Dave Durenberger.

Patrick J. Leahy
Vice Chairman

Attachments